Distr.
GENERAL

IDB.15/12
18 April 1996

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Fifteenth session
Vienna, 6-10 May 1996
Item 10 of the provisional agenda

FIELD REPRESENTATION

UNIDO field representation

Report by the Director-General

Summary

Describes the current field representation programme, including statistics, and gives status on proposals made in document IDB.14/25 for a strengthened UNIDO field presence.

CONTENTS

		Paragraphs	*Page*
Introduction		1	2
Chapter			
I.	CURRENT STATUS OF THE FIELD REPRESENTATION PROGRAMME	2 - 4	2
II.	SUSTAINABILITY OF THE FIELD REPRESENTATION PROGRAMME	5 - 8	2
III.	REORIENTATION OF UCD FUNCTIONS AND PROCEDURES WITHIN THE ONGOING UNIDO REFORM PROCESS	9 - 16	3
IV.	CLUSTERING OF FIELD OFFICES AND SPECIFIC REQUIREMENTS OF LDCS	17 - 19	4
V.	UNIDO FIELD REPRESENTATION PROGRAMME WITHIN THE UNITED NATIONS SYSTEM	20 - 22	4
VI.	ACTION REQUIRED OF THE BOARD	23	4
Annexes			
I.	UNIDO field offices as of 1 February 1996		5
II.	UNIDO Junior Professional Officers and Associate Experts as of 1 February 1996		7

V.96 82109 (E) (a:\1996\pmo1)

Distr.: 19 April 1996

Introduction

1. At the sixth session of the General Conference, the Director-General was requested to present to the fifteenth session of the Industrial Development Board for its consideration an overview of the recent developments of the field representation programme, focusing on the sustainability of the programme, the coordination between field offices and Headquarters and the integration of UNIDO field services within the United Nations Development Programme (UNDP) field offices. The present document has been prepared in response to that request.

I. CURRENT STATUS OF THE FIELD REPRESENTATION PROGRAMME

2. As of 1 February 1996, UNIDO maintained 42 field offices covering Africa, Arab States, Asia and the Pacific, Latin America and the Caribbean and Europe and the Newly Independent States of the former Soviet Union (NIS). The composition of the UNIDO field offices by region and by country is shown in table 1 below and annex I to the present document.

3. As of 1 February 1996, only 29 of the 42 offices were headed by UNIDO Country Directors (UCDs) or UNIDO National Directors (UNDs). Seven offices were run by Junior Professional Officers (JPOs)/Associate Experts or National Programme Officers (NPOs)/ Programme Officers (POs). This is because some posts were under recruitment and others had to remain vacant pending the mobilization of sufficient financial resources. Of the 29 UCD offices, 17 covered the country of their location and some neighbouring countries; these UCDs regularly undertook missions to those countries.

4. UCDs are frequently assisted by JPOs and Associate Experts, who are funded by various donor countries and selected on the basis of donor country nominations. As of 1 February 1996, there were 36 JPOs and 25 Associate Experts (with a total of 61 JPOs/ Associate Experts) assigned to a total of 42 countries (39 developing countries and three industrialized countries). Of those, 39 JPOs/Associate Experts were posted in UNIDO field offices, 14 in UNDP field offices and the remaining eight at UNIDO Headquarters in Vienna and at the International Centre for Genetic Engineering and Biotechnology at Trieste, Italy (see annex II).

II. SUSTAINABILITY OF THE FIELD REPRESENTATION PROGRAMME

5. The UNIDO field representation programme is currently financed from several sources, among which the most important are the UNIDO regular and operational budgets and UNDP sectoral support. Through its decision 91/34, the UNDP Governing Council allocated $19 million to support the UCD programme during the fifth programming cycle (1992-1996) and pursuant to the UNDP Executive Board decision 95/23, an additional amount of $3.0 million was allocated for 1997. From 1 January 1998 no further financial support can be expected from UNDP. Consequently, the ability of UNIDO to maintain the programme will depend entirely on the possibility of redeploying resources within the regular and operational budgets, securing extrabudgetary funding through voluntary or special-purpose contributions from donor governments and co-financing arrangements with host countries.

6. In 1995 UNIDO prepared proposals for a new field representation framework with a view to improving the

Table 1. Staff structure of UNIDO field offices

(as of 1 February 1996)

Region	No. of offices	Staff				
		UCD	UND	JPO/AE[a/]	NPO/PO	Other [b/]
Africa	15 [c/]	12	-	17	1	30
Arab States	4	3	-	-	1	8
Asia and the Pacific	10 [c/]	6	1	15	3	20
Europe and NIS	1	-	-	-	-	2
Latin America and the Caribbean	12	5	2	7	2	26
Total	42	26	3	39	7	86

a/ Indicates only those JPOs/AEs that are posted in the countries where a UNIDO field office is located.

b/ Includes secretaries and drivers.

c/ Indicates that one of the field offices in the region was temporarily closed.

financial sustainability of the programme (PBC.11/11 and IDB.14/25). These proposals involve redeployment of posts from Headquarters to the field, encouraging an increase in donor contributions and enhancing participation of the host countries in the financing of local costs. However, the possibility of sustainable funding through these means appears doubtful given the experience to date.

7. In view of the overall budgetary constraints faced by the Organization, only a limited number of staff members have so far been redeployed to field offices. More encouraging results have been achieved with regard to host country contributions towards local field office costs. A number of countries have already contributed in cash or in kind, providing premises free of charge as well as secretarial support and/or other facilities. Negotiations with other host countries are continuing. Although noteworthy, the total amount of governmental coverage of local costs is still far from satisfactory.

8. Under the current financial situation it is apparent that the establishment of 50 field offices - which was regarded as crucial in order to strengthen the UNIDO presence in the field (IDB.14/25 and PBC.11/11 and Board decision IDB.14/Dec.14) - will be impossible to attain in the biennium 1996-1997. UNIDO will continue to pursue vigorously negotiations for obtaining further voluntary contributions throughout the 1996-1997 biennium. However, in the event that funding beyond 1996-1997 will remain insufficient, the programme will have to be scaled down to sustainable levels within available resources. In this regard, various scenarios have been drawn up and examined (IDB.14/25). In conclusion, during the present biennium UNIDO will be able to maintain, under present circumstances, only approximately 30 fully staffed offices. In the next biennium, without UNDP resources and unless additional voluntary contributions can be mobilized, UNIDO would have to scale down the field representation programme to only approximately 20 fully staffed offices.

III. REORIENTATION OF UCD FUNCTIONS AND PROCEDURES WITHIN THE ONGOING UNIDO REFORM PROCESS

9. The terms of reference for UCDs have been subject to regular reviews with the aim of adequately reflecting the changes in the pattern of demand for UNIDO services, the mechanisms of their delivery and the interaction between field offices and Headquarters. The UNIDO offices in the field should function as effective centres for the analysis and assessment of the actual situation of a country, the identification of support requirements and the formulation of integrated UNIDO programmes at the national and subregional levels.

10. At the operational level, the decentralization of substantive functions to the field will need to be built up in accordance with the enhanced staffing and facilities of UCD offices and in response to the UNIDO reform process. The implementation of a strengthened field representation programme has to proceed in such a way that the various interconnected elements can be accounted for systematically. The modalities of how UNIDO intends to proceed towards decentralization have been fully described in previous documents (see PBC.11/11 and IDB.14/25). However, the current financial situation and, more specifically, the scarcity of financial resources committed to the programme impinge upon the implementation of a new strengthened field representation. Only with a secure and sustainable financing base will the Organization be able to undertake a major restructuring of field representation, extending the functions of UCDs and establishing new field offices. As a first realistic step, efforts are thus being concentrated on simplifying certain procedures and on improving the management and coordination of the field representation programme at Headquarters.

A. Harmonization and simplification of procedures for field offices

11. Delegation of administrative and financial authority coupled with simplification of procedures is one of the fundamental components of the ongoing process of strengthening UNIDO field representation.

12. In this context, certain steps towards decentralization have already been taken. UCDs have been given the responsibility to execute the annual office budget when its overall framework has been approved by Headquarters. Furthermore, a proposal is under review to authorize UCDs to purchase locally the required equipment (except for special equipment or items with bulk purchase advantage) if that approach proves to be cost effective and time-saving. Other proposals are also being studied, such as the possibility for UCDs to recruit national experts and to manage and administer some components of technical cooperation projects.

13. The simplification process of current administrative procedures is expected to be completed in the next few months and reported to the Board at its sixteenth session. The process of delegation of authority will be linked closely with the progress on decentralization of management functions from Headquarters to the field.

B. Management and coordination of field representation at Headquarters

14. Close interaction is necessary between field and Headquarters staff to ensure full coordination and quick responses to country-level requirements and demands. To achieve this, clear procedures are being designed in which the division of labour between the field and Headquarters is defined. To that end, the management of the programme was reorganized in terms of functions and responsibilities.

15. The field representation programme is incorporated in the newly created Country Programmes and Funds

Mobilization Division. Within the Division, the responsibilities of the management and coordination of the field programme are assigned to the Regional Bureaux, the Coordination of Funds Mobilization Section and the Field Representation Support Unit, with each of them exercising distinct functions. The Regional Bureaux have been given the substantive responsibility of the programme. They are, in fact, the natural counterparts of field offices at Headquarters, frequently also assuming *de facto* field representation functions through country missions. The Coordination of Funds Mobilization Section has been given the responsibility to mobilize resources for the programme, including those for the JPO/Associate Expert programme.

16. The Field Support Unit, established in the office of the Managing Director of the Country Programmes and Funds Mobilization Division, has been given the responsibility to secure coordinated and uniform policies and procedures as well as to provide updated information and efficient communication with the field. To function efficiently, the field offices have to be provided with up-to-date information on all relevant activities, organizational and financial matters, issues relating to the legislative bodies, upcoming world-wide events and on publications and reports issued at Headquarters. To improve communication, a major infrastructure project was initiated to connect field offices to Headquarters through e-mail, an effort that should be completed by the end of the year.

IV. CLUSTERING OF FIELD OFFICES AND SPECIFIC REQUIREMENTS OF LDCs

17. It is commonly recognized that if countries can be clustered according to their structural features such as similarity of support requirements, programme development and project design, efforts can be better focused on their specific needs so that the results will be more effective. This appears to be particularly true with regard to least developed countries (LDCs), given their frequently similar industrial structures and assistance requirements.

18. Currently, eight single country offices are located in the African and Asian LDCs. A further 28 LDCs are clustered under 13 multi-country offices in Asia, Africa and Latin America. UNIDO plans to expand the coverage of LDCs through redeployment of UCD offices to the LDCs and/or strengthening the multi-country offices that are responsible for LDCs coverage. However, owing to the substantial requirements of financial resources (IDB.14/23), it may be difficult, at this stage, to achieve this objective unless alternative resources are identified. Nevertheless, UNIDO will make every effort to ensure that the LDCs be fully covered both from the field and from Headquarters.

19. A cost-benefit approach will be put into practice in the near future to determine UNIDO coverage in the field in order to ensure that the fundamental factors justifying the existence, size and specific skill requirements of a field office are maintained. Where minimum requirements are not met, consultations will take place with the country or region concerned to examine possible alternatives for UNIDO field representation, including the presence of JPOs or Associate Experts at United Nations Coordinator or UNDP offices, national officers and contact or focal points with government and/or private institutions. Special attention will be given to maintaining continuity of presence and services to LDCs and countries with large UNIDO programmes.

V. UNIDO FIELD REPRESENTATION PROGRAMME WITHIN THE UNITED NATIONS SYSTEM

20. The present Memorandum of Understanding between UNDP and UNIDO concerning the integration of UNIDO Field Services within UNDP Field Offices was signed in April 1989. Recent developments in multilateral development financing as well as the ongoing reforms in UNIDO require a revision of the present Memorandum, which is under active negotiation with UNDP and will be finalized by mid-1996.

21. In the present UNDP-UNIDO Memorandum of Understanding, the UNDP Resident Representatives are considered UNIDO representatives in the field while UNIDO Country Directors have the function of Deputy to UNDP Representatives and are responsible for the industrial sector of the UNDP country programme under the general direction of the Resident Representatives/ Resident Coordinators.

22. In comparison, under the new agreement UCDs will represent UNIDO directly to Governments and other entities. UCDs will continue to be responsible for direct contacts with the relevant authorities of the recipient Governments on policy matters as well as on matters pertaining to the programming, execution, implementation and evaluation of UNIDO-supported industrial cooperation projects. However, unlike in the past, UCDs will now be requested to also take part in funds mobilization activities. This activity is reflected in the proposed new agreement by including among the core activities of UCDs the establishment and maintenance of contacts with UNIDO national committees as well as with potential donors such as non-governmental organizations, private sector and industry associations, bilateral donors, development finance institutions and United Nations institutions/funds.

VI. ACTION REQUIRED OF THE BOARD

23. The Board may wish to take note of the information provided in the present document in conjunction with the report of the financial situation and make appropriate recommendations for further action, particularly for mobilization of funds in support of the field representation programme.

Annex I

UNIDO FIELD OFFICES
as of 1 February 1996

COUNTRY OF ASSIGNMENT	Staff					
	UCD	UND	JPO/ AE	NPO/ PO	Secretary	Driver
AFRICA						
Cameroon	1	-	1	-	1	1
Cote d'Ivoire	1	-	1	-	1	1
Ethiopia	1	-	1	-	1	1
Ghana	1	-	2	-	1	1
Guinea	1	-	-	-	1	1
Kenya	1	-	2	-	1	1
Madagascar	1	-	1	-	1	1
Mozambique	1	-	2	-	1	1
Nigeria	1	-	2	1	1	1
Senegal	1	-	-	-	1	1
Togo [a]	-	-	-	-	-	-
Uganda	-	-	1	-	1	1
United Republic of Tanzania	1	-	2	-	2	1
Zambia	1	-	1	-	2	1
Zimbabwe	-	-	1	-	1	1
ARAB STATES						
Algeria [b]	-	-	-	1	2	-
Lebanon	1	-	-	-	1 [c]	1 [c]
Sudan	1	-	-	-	1	1
Tunisia	1	-	-	-	1	1
ASIA AND THE PACIFIC						
Bangladesh [a]	-	-	-	-	-	-
China	-	-	2	1	1 [c]	1 [c]
India	1	-	2	-	2	1
Indonesia	1	-	1	-	3	1
Nepal	-	1	-	-	1	1

COUNTRY OF ASSIGNMENT	Staff					
	UCD	UND	JPO/ AE	NPO/ PO	Secretary	Driver
Pakistan	1	-	1	-	1	1
Philippines	1	-	1	-	1	1
Sri Lanka	-	-	-	1	-	1
Thailand	1	-	5	-	1	1
Viet Nam	1	-	3	1	1	1
EUROPE AND NIS						
Turkey	-	-	-	-	1	1
LATIN AMERICA AND THE CARIBBEAN						
Argentina	1	-	-	-	1	1
Bolivia	-	-	2	-	1	1
Brazil	-	-	-	-	3	1
Chile	-	1	1	-	2	1
Colombia	1	-	-	-	1	1
Cuba	-	-	-	1	-	-
Ecuador	-	-	-	1	1	1
Honduras	1	-	1	-	1	1
Jamaica	1	-	1	-	1	1
Mexico	1	-	2	-	1	1
Peru	-	-	-	-	2	1
Venezuela	-	1	-	-	1	1
TOTAL	26	3	39	7	48	38

Note: Some vacant UCD posts are under active recruitment.

a/ Office temporarily closed.

b/ The office in Algiers has been temporarily transferred to Tunis.

c/ The secretary/driver is provided by the Government of the host country.

Annex II

UNIDO JUNIOR PROFESSIONAL OFFICERS AND ASSOCIATE EXPERTS
as of 1 February 1996

Duty station	Junior Professional Officer	Associate Expert
AFRICA		
Botswana	1	-
Cameroon *	1	-
Central African Republic	1	-
Cote d'Ivoire*	1	-
Ethiopia *	1	-
Ghana *	1	-
Kenya *	1	1
Madagascar *	1	-
Malawi	1	1
Mozambique *	1	1
Namibia	1	-
Nigeria *	1	-
Senegal *	1	-
Uganda	1	-
United Republic of Tanzania *	1	1
Zambia *	1	-
Zimbabwe	1	-
ARAB STATES		
Egypt	1	-
Morocco	1	-
ASIA AND THE PACIFIC		
China	1	1
India *	1	1
Indonesia	1	-
Micronesia, Federated States of	-	1
Pakistan *	1	-
Philippines *	1	-
Sri Lanka	-	1
Thailand *	1	4

Duty station	Junior Professional Officer	Associate Expert
Viet Nam *	2	-
EUROPE AND NIS		
Azerbaijan	1	-
Czech Republic	-	1
Kazakstan	1	-
LATIN AMERICA AND THE CARIBBEAN		
Bolivia	1	1
Brazil	-	1
Chile	-	1
Costa Rica	1	1
Guatemala	1	-
Haiti	1	-
Honduras *	1	-
Jamaica *	1	-
Mexico *	1	-
TOTAL**	36	17

* A country where a UCD is stationed.

** As of 1 February 1996, in addition to the 53 JPOs and Associate Experts posted in the field, there was 1 Associate Expert at the UNIDO Liaison Office in New York, 2 Associate Experts at the International Centre for Genetic Engineering and Biotechnology at Trieste, Italy, and 5 Associate Experts at UNIDO Headquarters in Vienna (overall, a total of 61 JPOs/Associate Experts). However, it has to be noted that, because of the nature of the programme, the number of JPOs/Associate Experts and their duty stations may vary substantially during the year.